CHAPTER V

Observations & Findings
CHAPTER 5

➤ Observations / Findings: - (Companies)

During present study through interview schedules and statistical data analysis for sampled 12 insurance companies observations are as follows:-

- It was observed from sampled data that, companies profile require insurance company’s accreditation process in order to ensure their certification practices are acceptable domestically and internationally. Typically they are competent to test and certify companies. The accreditation ensures that the companies function ethically and employ suitable quality assurance through insurance company’s certifications. (Ref to Ch - 4, Pg no -154 -155)

- From the sample selected, it is observed that, according to operational norms for vehicle insurance companies oath towards its policyholders on hassle free inspection and high standard settlements of claims during accident, theft, or breakdowns of vehicles is the crucial factors for growth in motor vehicle and car insurance business in India. (Ref to Ch - 4, Pg no – 155 -156)

- The sample data on car insurance companies, shows various car insurance companies believe that better the quality services and technology services provided to its policyholders will result in retention of existing policyholders and it may lead to a situation where the additional customers may get influenced and issue car policies from the insurance companies. Therefore there is constant increase in issue of car insurance policies by various companies in India. (Ref to Ch - 4, Pg no -158 -159)
The sample data on car / motor insurance company’s Gross Direct Premium Rates shows gross direct premium received by car motor insurance companies. Almost all the companies operate in car / motor insurance business in India. (Ref to Ch - 4, Pg no - 159 -160)

The sample data on car / motor insurance company’s total claim amount settled rates, relates to quickness in process and professionalism in claim settlement matters is an important issue for all car / motor insurance companies, so that it can have a positive impact on the minds of its customers and it also shows good signs for insurance companies in the market. (Ref to Ch - 4, Pg no - 162 - 163)

The sample data on car / motor insurance companies shows that almost every insurance company sets the target figures year after year and aims to reduce the miscellaneous or additional cost on car / motor insurance business in India. (Ref to Ch - 4, Pg no - 164 -165)

The sample data on car insurance companies shows the premium amount for all cars insurance companies are greater than the claim amount settled annually, so it leads to high profit percentage for all car insurance companies in India. (Ref to Ch - 4, Pg no - 165 -166)

The sample data on car insurance companies should be competitive and continuously tap the customers by simplified procedures, better technology services, good agent’s services, quick and easy procedures for claims settlement process leads to high rates of growth for various car insurance companies. (Ref to Ch - 4, Pg no - 167)

According to the sample selected on companies services to customers, it was observed that, online / debt credit services, cashless claim facilities, and automatic premium calculations services on emails is required to be improved by public insurance companies. These measures are important mainly because private insurance company’s give superior quality of web enabled services to its clients. (Ref to Ch - 4, Pg no - 168 -169)
Regarding various services provided by the insurance companies on the automatic update of claim settlements mediums, it was observed that. Public and private insurance companies need to improve the quality services on automatic update of claim settlements mediums in India. (Ref to Ch - 4, Pg no - 170)

Companies offer attractive and competitive discounts on car premium IDV rates, it was observed from sampled data that. all companies provide no claim bonus discounts, compulsory voluntary deductible discounts, and anti-theft discounts to its customers. Public insurance companies should get automobile membership with IAACA and ARAI so that the accreditation ensures top quality assurance to the insurance companies and policyholders can also get Automobile Association discount on the premium amounts depending on their cover plan. ARAI approved anti-theft device taken by the policyholders on their cover plan will roughly get a discount of 2.5% on the OD premiums rates. Public insurance companies also need to concentrate on other discounts like profession discounts, gender discounts or marital discounts etc. so like private insurance companies it can be competitive in insurance market. (Ref to Ch - 4, Pg no - 171-172)

The sample data on companies, shows its awareness medium process to its clients in the market, where all companies conduct awareness to its clients through car dealer, agents / brokers. Private insurance companies need to allocate more funds on customer’s awareness mediums like newspaper or print media or television advertisement medium so that more awareness is created within those customers who are not techno-savvy. (Ref to Ch - 4, Pg no - 172-173)
From the sampled data, it was observed that all companies are well supported by IRDA on high standard of integrity, financial soundness supports, and fair dealing of competence in insurance market as IRDA members. It was observed that all companies get the valid licenses and co-operation support from IRDA to various agents and brokers associated with its respective companies every year. Finally all companies are registered with IRDA and follow all the norms laid down by IRDA. There are certain insurance companies which are not registered with IRDA, but they do operate insurance business in the Indian market. The primary role of IRDA is to protect the interest of companies, regarding its regulations, promotions, and also to ensure orderly growth of the insurance companies affiliated with IRDA. (Ref to Ch - 4, Pg no - 173)
Observations / Findings: - (Policyholders)

Present study on policyholder’s observations for sampled 30 i.e. 360. policyholders details are as follows:-

- Regarding the sample collected from policyholders on gender ratio, it was observed that, in India over a period of time it is observed that, more of male genders drive cars compared to female genders, so male dominations strength is in large number for issuing the car policies. (Ref to Ch - 4, Pg no -174 -175).

- According to sampled data, it was observed that, it is important to have adequate information about the policyholder’s number of dependents, especially during the vehicle or car accidental death of policyholders on road. Such information does help insurance companies for claim settlement process to speed up during the specified period of time. (Ref to Ch - 4, Pg no -176 -177).

- Regarding policyholder’s occupation, it was observed that, most of the insurance companies in today’s scenario do provide additional discounts based on policyholders occupations, so that the insurance companies can be more competitive in markets. (Ref to Ch - 4, Pg no - 177-178).

- Regarding policyholders purchase of cars, it was observed that, majority of policyholders do prefer new cars compared to second hand cars, mainly because loans for new cars are easily available by banks plus the maintenance cost for new hand cars are comparatively less than second hand cars. (Ref to Ch - 4, Pg no - 179).
From the sampled data regarding policies covers selected, it was observed that, all the policyholders have third party covers as per the mandatory rules laid down by vehicles act. and IRDA. Policyholders need to understand the policy carefully, especially the terms and conditions of zero or depreciations covers before accepting it, so that during the claim settlement process there are no disputes between the policyholders and insurance companies. (Ref to Ch - 4. Pg no - 181)

According to policyholders it was observed that, maximum sales of car policies are conducted by car dealers / agents / brokers. It is the easiest and most convenient process for policyholders to deal indirectly with the insurance companies on the issue of buying the policies and the process of claims settlement mechanisms conducted through various agents or car dealers. (Ref to Ch - 4. Pg no - 183)

According to sample selected from policyholders, it was observed that, policyholders hold high rates of claim grievances for not being compensated on the account of lost, accident, or theft for their car vehicles against the insurance companies. The maximum claim grievances are on the account of accidental cases. Policyholder needs to understand its policy cover carefully before investing in policies, and then follow the procedures of insurance companies for smooth claim transactions process. (Ref to Ch - 4. Pg no -185)

According to sample selected for policyholders policy information is observed that, maximum policyholders have no claim bonus facilities, low car accessories due to high premium rates and policyholders normally change their insurance companies on the grounds of non satisfaction on the claim settlement issues or lack of customers care services, non technology services, or bad agent’s services. (Ref to Ch - 4, Pg no -186 -187)
From the sampled data, regarding policyholders rating on network and location of various branches service of companies, it was observed that, network and locations branches of certain private insurance companies are not in large numbers all around India. There should be wide range of network and locations branches for its policyholder’s better assistance. (Ref to Ch - 4. Pg no – 188, 189)

Regarding policyholders rating on the convenience procedures rules of car policies, it was observed that, companies should frame the convenience procedures and rules for car insurance policies, especially in a simplified manner and also highlights the important procedure of its car insurance policies along with its claim settlement process. Policyholders need to read and understand the policy document carefully before purchasing the policies. (Ref to Ch - 4. Pg no - 188, 189)

According to policyholders rating on time taken for processing new policies is the easiest and convenient medium. Due to technology enabled services and direct access to online portals by various insurance companies are general benefits to customers. (Ref to Ch - 4. Pg no - 188,189)

According to the data sample, policyholders rating of timely issue of premium notices from companies, it was observed that, Public and private Insurance companies are required to be professional in its approach and regularly provide the services of timely issues of premium notices through the upgraded technology services: - via emails, mobile sms or telephones calls to inform its policyholders on policies issues. (Ref to Ch - 4, Pg no - 188,189)
From the data sampled, rating of policyholders on time taken by companies for settlements of claims, it was observed that, insurance companies often delay the claim settlement process, which causes dissatisfaction towards its policyholders. The claim settlement should be hassle free and quick process by various insurance companies. Such measures will have positive impact on the mind of its policyholders towards its insurance companies. (Ref to Ch - 4, Pg no - 188-190)

Regarding the sampled data, rating of policyholders on update of policy status information, it was observed that, various companies policy procedures should be a simplified process and it should be explained clearly to its policyholders by company’s staff or its agents. The important issues of the policies status should be highlighted so there are no disputes in future. (Ref to Ch - 4, Pg no - 188-190)

From the sampled data, rating on company’s overall services provided to its client, it was observed that, competitive Indian insurance markets where for the policyholder’s important issue is on the overall services provided by various insurance companies. The professional quality service provided by insurance companies will always retain its policyholders and also gets landmark reputation for its companies in the insurance market. (Ref to Ch - 4, Pg no - 188-190)

According to sampled data, staff agent relation on rating of staffs in the context of numbers, it was observed that, various insurance companies requirement of adequate number of staffs is utmost necessary for quality service assistance provided to its policyholders. (Ref to Ch - 4, Pg no - 191)

According to sampled data, policyholders rating on staff’s politeness to its policyholders in the context of approach towards staff’s, it was observed that, various insurance companies staff’s should have dignified and polite mannerisms towards its clients. Often staff’s arrogant and rude behavior leads to negative impact on the minds of its policyholders. (Ref to Ch - 4, Pg no - 191-192)
• Regarding staff’s overall response of policyholders, it was observed that various insurance companies staff-policyholders overall relations need to be professional and respectful so that the future dealing will operate on smooth and beneficial manner for insurance companies. (Ref to Ch - 4, Pg no - 191-192)

• Regarding the rating of agents in terms of number of services, it was observed that, insurance companies should have appropriate number of agents all around the country, so the primary objective of agents is to sell the insurance policies on regular basis and earn their commission rates. (Ref to Ch - 4, Pg no - 191-192)

• Regarding the rating of agents in terms of knowledge upgradation, it was observed that, it is the prime responsibility of various agents of the companies to understand the policies and upgrade knowledge to make sure that policyholders are well informed in advance about the policy norms, so that there are no future disputes between agents and policyholders. (Ref to Ch - 4, Pg no - 191-192)

• According to rating of agent’s door to door service, it was observed that, essential operations of the agents is to provide door to door services to its clients, that may be providing information about the companies policies, or information relating towards its premium rates, claim settlement process, regular cheque collection measures or the policy document home delivery process, all these services are important responsibilities of agents. (Ref to Ch - 4, Pg no - 191,193)

• Policyholders rating on commitments and dedication of agents, it was observed that, agents need to maintain a professional relation between its policyholders and insurance companies in relation towards all the service assistance required by its clients. Agents should retain its existence clients through good quality of dedications and commitments services. (Ref to Ch - 4, Pg no - 191,193)
Regarding policyholders rating on overall service quality of agents, it was observed that, professional and good agents are those who maintain a conducive and healthy environment between the company and its clients. They are the crucial linkage between its clients and company; therefore agent’s services need to be of top quality in order to sustain in the insurance markets. (Ref to Ch – 4, Pg no – 191,193)

Policyholders rating of customers relations, it was observed that, the company’s customer relation services are required to be of superior quality in the insurance market. Such services of public insurance companies are required to be of superior quality to compete with private insurance companies. (Ref to Ch - 4, Pg no - 194)

Policyholders rating regarding call centre customer care services in terms of utility to its clients, it was both in public and private insurance companies call centre customer’s service needs an improvement, especially to have sustained record of its policyholder’s contacts. The policyholders should be informed about their policies matters regularly by all insurance companies. (Ref to Ch - 4, Pg no - 194 -195)

Regarding policyholders rating on rate of premium and claim transaction process to its customers, especially on issue of quick and timely settlements of claims, the insurance company’s premium rates and claim services transactions are the utmost important mechanism within the policies contract. Mostly these measures are compared by the customers from various insurance companies, so that the customer’s get best deal on car policies. (Ref to Ch - 4, Pg no - 194 -195)
Regarding policyholders rating on companies handling of customers grievances in terms of amicable settlements and time taken to settle grievances, it was observed that, maximum policyholders have strong grievances against insurance companies on the ground of none or less amount of claim settlement done by insurance companies. It is the prime responsibility of insurance companies to deal with the issues comprehensively, so that the policyholders do not remain dissatisfied with the company. (Ref to Ch - 4. Pg no - 194 -195)

Regarding the policyholders rating on company’s customer care satisfactions, it was observed that, all insurance companies need to set an objective to have its policyholders satisfied with the company’s norms of policy issues and claim transactions process. (Ref to Ch - 4. Pg no - 194 -195)

Policyholders rating on technology enabled services of companies website in terms of accessibility and services, it was observed that, Public insurance companies website services improvement is an important issue, and for customers to have appropriate information about the policy and other details about companies are required to be updated on the companies websites. (Ref to Ch - 4. Pg no - 196 -197)

Policyholders rating on display and product information of company’s website, the insurance company’s website display are required to be simplified and provide easy access for general public. The website display should be regularly upgraded by the insurance companies. (Ref to Ch - 4. Pg no -196 -197)

From the sampled data, policyholders rating on automatic premium calculation services of companies, it was observed that, public insurance companies need to compete with private insurance companies for providing the automatic premium calculations services to its policyholders via: - emails, sms, and telephone services etc. prior to the expiry of their policies contacts. (Ref to Ch - 4. Pg no - 196 -197)
Regarding policyholders rating on companies handling of client grievances towards web enabled services, it was observed that, client grievances for web enabled services are high in numbers especially from public insurance companies. Since the website services need to have superior quality of web techno portal, plus the online transaction services needs improvements. (Ref to Ch - 4, Pg no - 196,198)

According to policyholders rating on company’s website upgradation services, it was observed that, public insurance companies generally need to have regular website upgradations services on regular basis. It gives better access information to general public about the company’s norms and its recent developments activities. The private insurance companies are always trying to be professional on this approach. (Ref to Ch - 4, Pg no - 196,198)

Regarding policyholders rating on companies cashless settlements benefits through the medium of technology devices through various garages across India, it was observed that, insurance company is required to give quick and easy settlements benefits on services to its policyholders, as soon as the claim amount is sanctioned by company. There should not be delays in the further process of claim settlements by insurance company. (Ref to Ch - 4, Pg no - 196,198)

According to data collected, policyholders rating on companies buy online and pay in installments without any extra charges services, it was observed that, public insurance companies are especially required to have technology access on its website for online installment services in a simplified manner. These services are actively provided by private insurance companies websites. (Ref to Ch - 4, Pg no - 196,199)
Policyholders rating on companies services of having zero documentation (sell scheme) through online purchase, it was observed that, the concept of zero documentation measures are purely based on technology services provided by various insurance companies. It is convenient, time saving, and easy to access benefits for technoliterate policyholders. (Ref to Ch - 4, Pg no - 196-199)

According to sampled data, policyholders rating on the companies issue Insured Declared Value (IDV) rates, it was observed that, insurance companies always offer competitive IDV rates depending on the various models of cars. Policyholders should always compare the IDV rates of various insurance companies, as they are about to opt for their final car policy contract with insurance company. (Ref to Ch - 4, Pg no - 200)

From the sampled data, policyholders rating on the overall safety and security provided by companies, it was observed that, safety and security of contracted policyholders is the premium liability for all the insurance companies especially during accident of vehicles, death of drivers, theft of vehicles, and legal procedures of claims. (Ref to Ch - 4, Pg no - 200 - 201)

According to policyholders rating on the entire quality services provided by companies, it was observed that, car insurance companies business also depends on the quality of services offered to its policyholders. Superior quality of services provided to its clients will lead to premium reputation of the insurance companies in the market and more number of customers will get associated with the insurance companies. (Ref to Ch -4, Pg 200-201)

From the sampled data, rating on companies overall performance towards lower the premium, better quality of services and hassle free claim settlements, it was observed that, Policyholders rates overall performance of the companies on the various factors like customer care services, agent’s services, and technologies services, which are required to be superior standards as per the Indian insurance market scenario. (Ref to Ch - 4, Pg no - 200 - 201)
Future Scenario of Car and Motor Vehicle Insurance in India

India will become the third largest market in the world after China and US for Light vehicles including passenger cars. Light vehicles, and Vehicles Commercials (LVC) by 2020. The country however, will have to improve its infrastructure, as well as resolve component supply chain issues, in order to realise its huge potential.

India will become third biggest market for light vehicles that includes passenger cars and LVCs, with total sales of nearly 1.20,00,000 cr units by 2020. India would have jumped from sixth place at present to be slotted after China and the US by 2020, with total sales of 1,10,90,000 cr units of light vehicles. The passenger cars will account for 90,28,000 Lks units and light trucks 20,69,000 Lks units growth in India. In 2010, 20,70,000 Lks units of light vehicles were sold in India, up from just 70,000 light vehicles in 2000. By 2020, China light vehicles market is expected to reach 3,50,00,000 cr units, while, US will rise to 1,70,40,000 cr units.¹

There is a huge potential in Indian market, but the key challenges lie in infrastructure growth to support the automotive industry. India automotive report pointed out that the average income of Indians is expected to be moderate even in 2020, vehicles demand will still be focused in lower end passenger vehicles segment as well as in Sports Utility Vehicles (SUV) and Multi Purpose Vehicles (MPV) segments.

The growth rate was down for cars, the growth in numbers was the slowest since May 2009 when car sales rose to 2.77%. (SIAM) expects sales to drop to 12 -15% in the current financial year, after it surged 30% to 10, 98,000 Lks units, driven mainly by a demand from the growing middle class. The month of May 2011, India largest car maker Maruti Suzuki, posted a 1.9% rise in car sales to 1.04 lakh units in May 2011, its lowest growth since 2008. Sales for vehicles rose to just 7% to 1.58 lakh units during May 2011, as against 30% jump in deliveries to 1.48 lakh units in the year 2010, as per data released by the Society of Indian Automobile Manufactures (SIAM).
Although car sales are seeing a slower pace of growth, two wheelers and commercial vehicles rose from 12 -16% in April - May 2011. Input cost pressures have also seen most car companies increasing prices in April and May 2-3%. 

The Domestic passenger car sales saw its growth in 27 months in June 2011 at 1.67%. The car sales stood at 1.43.370 Lks units in June 2011, as compared to 1.41.086 Lks units in same month June 2010. It was according to figures released by the Society of Indian Automobile Manufactures (SIAM). The sales were not on expected lines as markets continued to be sluggish. High interest rates by RBI, hike in fuel prices, high commodity prices, inflation and negative market sentiments continue to put lot of pressure on automobile market.

The Economic Times analysis, assuming a user is driving the vehicle for a minimum of 50 Kilometers a day, the time taken to recover the premium paid (the extra money paid for the diesel car) for a diesel car like Chevrolet Beat as against its petrol fuelled counterparts is two years and five months or 44,000 Kilometers. The period to recover the premium paid for diesel car will extend to three years and two months or 58,000 Kilometers, if the proposed diesel price hike is implemented. In case of best sellers such as Maruti Swift which comes with the premium of ₹ 1.08 lakhs on the diesel top end variant, the time taken to recover will increase from 3 years seven months or 66,000 kilometers currently to 4 years 11 months or 89,000 Kilometers. The Diesel cars already command a premium of 15-23% over petrol variants (₹ 75,000 to ₹ 1.25 Lakh) and are twice as expensive to maintain service and repair.

Company’s executives and dealers said a possible duty increase on diesel cars that can see their retail prices go up and has lead to customers to buy vehicles. Maruti company march towards normally continued as company volumes were up to 6% at 1.07 lakh units in 2011. However, the diesel cars do offer 15 -20% more mileage than petrol cars and are better in terms of emission control. Many of companies are now making the case for diesel car if the person uses the car more than 50 kilometers a day.
Considering the life cycle of the car is only 4-5 years, customer may not benefit much by owning a diesel car, if he or she does not drive long distance. The share of petrol cars, which constitute 81% of the overall market in financial year 2008, has been slipping consistently year by year due to introduction of quality diesel hatchbacks and sedans in the market. However, there has been drastic drop in the past couple of years, with the petrol prices getting deregulated and diesel prices still controlled. Car sales overall remained positive in Feb 2012 as people purchase vehicles ahead of an expected duty hike in the budget.4

The price gap between petrol and diesel fuel which was around ₹ 9.80 in May 2010 widened to ₹ 25 in short span of a year. This resulted in major shift in demand for diesel cars. The share of petrol cars which stood 75% in financial year 2010 slipped to 69% in financial year 2011 and further to 58% in financial year 2012. It further went down to 47% in July 2012 before it gradually recovered. The share of petrol cars has seen a gradual increase month after month to 54% by Oct 2012, before closing month to 53% in Nov 2012.5 After knee jerk reaction from many customers towards diesel cars, many automotive companies imparted intensive training to their sales personnel and dealers.

Liberal economic policies of the government of India have contributed significantly towards the car market in India. Many foreign investors have become interested to come and invest openhandedly in the car market of India. Reduction in the rate of customs for small vehicles has also supported a substantial boom in the Indian automotive industry. It is expected that the car market in India is going to be one of the biggest car markets in the world.
The Future rise in car sales would lead to consistent growth rise in the car policies of various insurance companies. As per the mandatory law laid down by government it is illegal in India to drive a car without an appropriate car insurance policy.

No car dealers or vehicle dealers of any brand can sell the vehicles in their showroom without the car or vehicle insurance policy. It is an automatic process that if there is an increase in sales of various brands of cars or any vehicles in India, then it would lead to prospering rise in future prospects of car and vehicle insurance companies. There is constant rise in potentials and market shares for motor insurance business by various Govt and private insurance companies.

- Growth for Vehicle / Car Insurance in India

  The Insurance industry grew at an impressive rate of 24% during the first quarters of 2013, bringing the total number of insurances in force to 3.50.00.000 cr units. Private companies are a major contributor to this growth due to the innovative product offerings and unique portfolio diversification. They also undertake aggressive marketing campaigns to influence consumer decision making. Public and Private companies are a major contributor to this growth due to the innovative product offerings and unique portfolio diversification. They also undertake aggressive marketing campaigns to influence consumer decision making. The growth of Vehicle / Car insurance is one of the popular types of insurance offered in India.

- Reasons for Growth in Demand for Vehicle / Car Insurance in India

  Few factors responsible for growth in demand for vehicle and vehicles insurances in India can be summarized below:

  - Increased competition: Private and public sector companies are battling it out for more insurance buyers by offering newer product variants, higher IDV rates, lower processing fees, etc. Growth, and not survival, is the key in Indian markets.
• **Growing awareness:** Consumers are being made aware for the need of insurance today. It has become a part of their curriculum and work life of individuals, where they are constantly being educated about the accidental and theft risks that they are exposed to in daily life for utilization of cars. Therefore car insurance has thus become a necessity.

• **Government initiatives:** The biggest leap taken by the Indian government in recent years is the privatization of this sector in 2000, over 150 years after the industry was established. The government is taking further corrective measures to fuel demand growth for vehicle insurance, such as setting up advisory groups to discuss industry dynamics, supporting plans for launching e-insurance and e-policies, etc.

• **Attractive discount offers by Car Insurance Companies:** - Over the last couple of years, car insurance covers have become highly comprehensive, offering wide range of adds – on discounts regularly in market for the luxury cars and small cars.

Prominent reasons for growth in car insurance market are the add-on cover offered by various car insurance companies are mentioned below:-

1. **Depreciation Reimbursement:** - It is must for every luxury car, according to insurers. Depreciation reimbursement cover offers to settle the full claim without any deduction for depreciation on the value of the parts replaced. Depreciation reimbursement and consumable cover are crucial, as the cost of replacement of parts more prone or exposed to damage is very high and hence, higher amount of depreciation is to be borne by the insured in case of a claim. Availing this add-on would be of help particularly when the customers need high cost parts of the individuals luxury cars.
2. **Engine cover**: There is the cost of repairing the damage to the engine, particularly due to flooding. Such vehicles are also prone to damage due to water ingress and the cost of repair or replacement of engine is to tune of 30% - 40% of the cost of the vehicles. Hence engine cover must be taken by owners of luxury cars.

3. **Lost Key Replacement**: Unlike small and mid segment vehicles, high-end cars come with sophisticated and automated keys, which need to insured. This is more of a security issue as car theft usually happens with lag. Ideally, the car owner should get the key replaced. The cost of replacing the key or changing the pass code of key is reimbursed. These measures ensure double protection of the car against any theft.

4. **Return of Invoice**: Luxury cars come with a huge price tag. Therefore, the financial risk borne by the owners of such cars in case of total damage to the vehicle is much higher than owners of mid-segment cars. This is where return of invoice add-ons can come handy. Here one can get the entire invoice amount, including taxes, reimbursed in the event of total loss claims.

5. **Buy policy online**: Now the insurers are buying policies through an intermediary, it is unlikely that he will encourage you to provide details in the proposal form. Besides going online have direct benefits too. The insurer can save money on car insurance premiums by buying the insurance policy online. Some companies offer better rates of discount for customers coming directly onto the company websites.
6. **Protection of No Claim Bonus**: - Policy holders who have not made claims in the previous year receive rewards in form of No Claim Bonus (NCB). On renewal, the cover could increase by up to 50%. Therefore the insurer needs to make effort to earn NCB. At broader level, one can do so by following driving rules and taking adequate care of their car. Moreover one can also retain the NCB by forgoing smaller claims. If the claim amount is not significant, it is better not to make claim. Insurer should look at getting the vehicle repaired at a garage that charges reasonable rates.

Insurer can negotiate hard to bring down the costs. If the insurer avoids smaller claims, then he can stand gain of 20% in the first year and upto 50% in the subsequent years as NCB. The NCB is linked not to the vehicle or the policy but to the policyholder. It will be transferred to the new car. Insurer should ensure that when sell your old car and buy a new car in the same segment one can claim NCB on the premium for the new car also. The saving in such a scenario can be significant as the premium for new car is always high. The discount on premium amount can determine by companies on NCB and offer NCB even after claim compensation.

7. **Higher Deductibles**: - The customer is confident of his or her driving skills and feels that he does not have option to make a claim during the year. customers can ask for higher deductibles as a good option. The deductibles ranges from ₹ 2,500 to ₹ 7,500 and the saving in premium can be as high as 30%. This is good form of discount given by companies.

8. **Install Anti –Theft Devices**: - Further discounts can be availed by installing Automobile Research Association of India (ARAI) approved anti theft device in the insurer car. This is another form of reward to the owner of the car for showing responsibility by installing such a device. It is estimated that such devices have brought down claims by up to 80%. At the time of buying of car insurance ensure that it is fitted with a manufacturer fitted anti theft device. Devices produced later may not help much as the insurer will have to assess whether it is certified, which could result in hassles during policy insurance.
9. **Professional, Gender, Marital Status Discounts:** Factors like profession, gender and marital status, among many others, are now being used by insurance companies to determine the premium. Traditionally, car premiums were decided upon the basic factors like engine capacity, age of the car, and geographical zones. Over the last four years insurers in India have started using several other asset-based parameters such as fuel used in the car, effective anti-theft device etc.

Further, few insurers are now trying with demographic parameters as well. Now in terms of demographic parameters the companies have started taking into accounts the insured age, gender, occupation and driving experiences. For instance, married individuals in the age group of 32 - 60 years are entitled to discounts as they are perceived to be more responsible drivers, such things are taken as rating parameters. Discounts on the basis of such personal information can go up to 20%. Likewise the loading on premium, can be high as 20%.

However the possibility of discounts in one category being cancelled out due to loading in another cannot be ruled out. For instance high premium due to the fuel type may nullify the discount earned on the account of occupational age. All these discount offers relates to increase the growing demands for car insurance in India.
Motor vehicle insurance India has experienced growth since 2010 comprising of HMV and LMV, as they registered a 22% growth in the topline with a total premium collected being ₹1.4046 crore. This is a direct result of IRDA allowing insurance companies to hike premium on third party cover by 10% for cars and up to 65% for commercial vehicles from April 2011. For the same period last year 2010, the premium collected was ₹1.1478 crore. The premium collected in the third party cover went up to ₹2.043 crore compared to ₹1.467 crore (a whopping 39.2% increase). The figures given above show performance of premium collected from all those companies which are registered with IRDA. and not registered with IRDA. and they are doing HMV and LMV insurance business in India.

Motor car insurance will continue to remain the largest category, contributing over 40% of insurance industry premiums. India will become the third largest car market globally by 2020 with over 70 lakh cars sold annually, for its driving growth in motor car insurance.

Hence another reason for this topline growth and development for prospering future scenario can be ascribed to rising number of new vehicles on the Indian roads. It will lead to rise in car insurance business in India. All these factors are responsible for growth and development for car insurance in India.
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